A0406-1

# The Aluminum Situation

## ECONOMICS AND STATISTICS — AUGUST 1990

## INDUSTRY SHIPMENTS DOWN 5.8 PERCENT FROM 1989

Industry net shipments for six months of 1990, totaling 7,920 million pounds, decreased 5.8 percent from 1989 shipments of 8,406 million pounds.

Domestic shipments for six months of 1990, totaling 6,593 million pounds, were down 9.8 percent from the previous year total of 7,312 million pounds.

U.S. exports of aluminum ingot and mill products continue to be strong, totaling 1,327 million pounds during the first six months, increased 21.3 percent from the 1989 total of 1,094 million pounds.

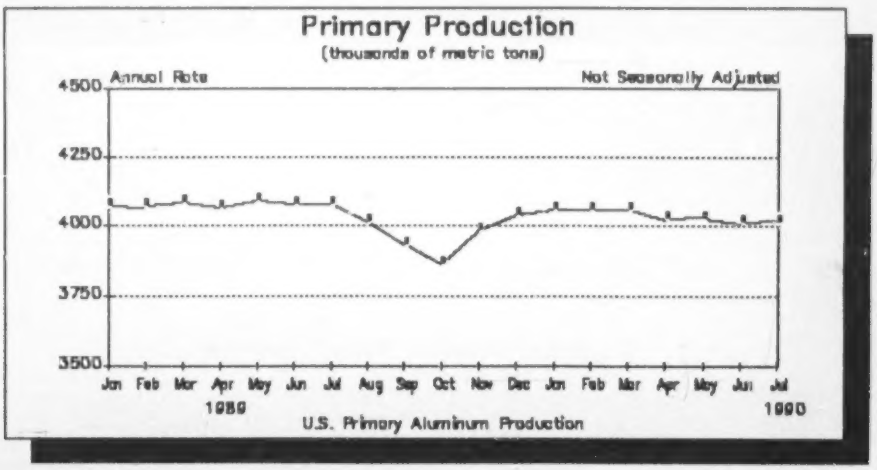
THRU JUNE 1990

| | 1990 6 Mos. | 1989 6 Mos. | % Change |
|---|---|---|---|
| Mill Products | 6,483 | 6,706 | -3.3 |
| Ingot | 1,437 | 1,700 | -15.5 |
| Total | 7,920 | 8,406 | -5.8 |
| Less Exports | 1,327 | 1,094 | 21.3 |
| Domestic Total | 6,593 | 7,312 | -9.8 |

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

## PRIMARY PRODUCTION DAILY RATE ESTIMATED AT 11,004 METRIC TONS

U.S. primary aluminum production averaged an estimated 11,004 metric tons daily during July 1990. This compares with an average of 11,150 metric tons a day in July 1989 and 10,993 metric tons a day in June 1990. The annual rate of production in July 1990 was 4,016,601 metric tons compared with 4,069,844 metric tons in July 1989 and 4,012,494 metric tons in June 1990. Estimated production in July 1990 was 341,136 metric tons.




This report contains information reported to the Association by the domestic producers, which is aggregated by the Association. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

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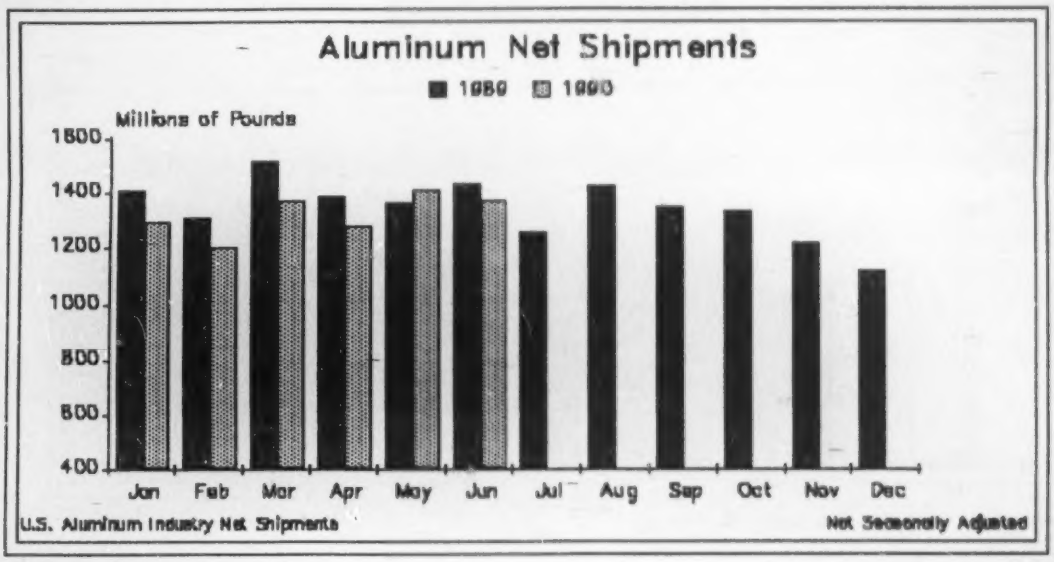
# JUNE INDUSTRY SHIPMENTS REPORTED AT 1,373 MILLION POUNDS

Industry net shipments for June 1990 were reported at 1,373 million pounds, down 2.5 percent from revised May shipments of 1,408 million pounds. Year-to-date, total industry shipments totaled 7,920 million pounds, a decline of 5.8 percent from a previous year total of 8,406 million pounds. Domestic shipments for six months of 1990, totaling 6,593 million pounds, were down 9.8 percent from the previous year total of 7,312 million pounds. U.S. exports totaled 1,327 million pounds during the first six months, an increase of 21 percent from the same period of 1989.

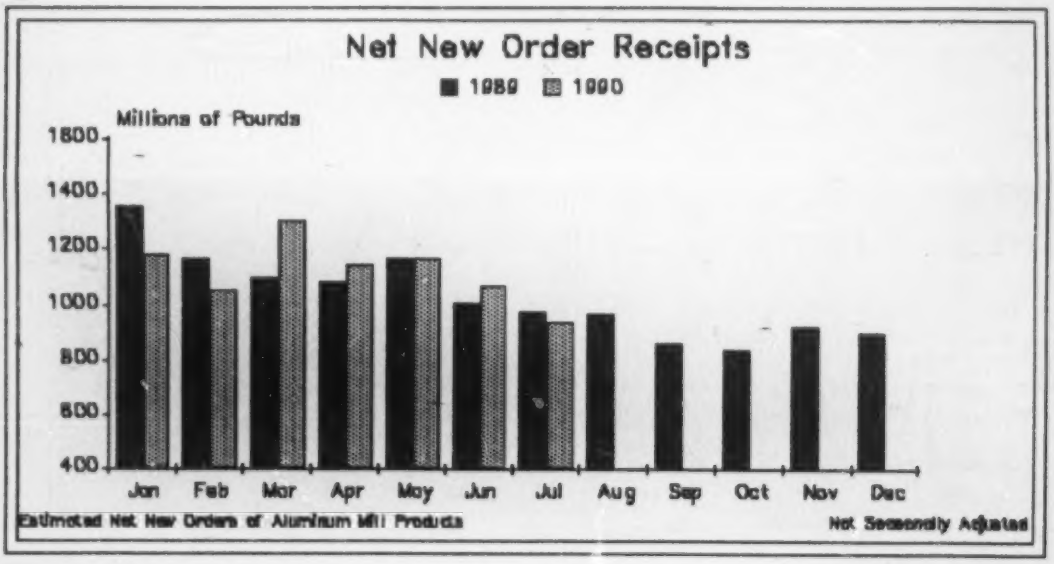



| NET SHIPMENTS (Millions of Pounds) | 1990 June | 1989 June | 1990 6 Mos. | 1989 6 Mos. | % Change 1990 vs 1989 |
|---|---|---|---|---|---|
| Sheet | 636.9 | 662.6 | 3,646.7 | 3,797.0 | -4.0 |
| Plate | 22.8 | 27.3 | 132.3 | 159.5 | -17.1 |
| Foil | 77.7 | 78.0 | 468.9 | 448.7 | 4.5 |
| Rod,Bar & Wire | 32.7 | 11.5 | 162.7 | 112.8 | 44.2 |
| Elec. Conductor | 53.9 | 67.4 | 306.9 | 360.6 | -14.9 |
| Extruded Shapes,Tube | 222.0 | 233.4 | 1,312.8 | 1,369.2 | -4.1 |
| Powder & Paste | 8.4 | 7.6 | 46.9 | 46.7 | 0.4 |
| Forgings & Impacts | 12.9 | 14.0 | 78.9 | 82.3 | -4.1 |
| Net Imports of Mill Products (Total) (a) | 60.2 | 66.9 | 326.4 | 329.3 | -0.9 |
| Total Mill Products | 1,127.5 | 1,168.5 | 6,482.6 | 6,706.0 | -3.3 |
| Ingot | 245.0 | 263.1 | 1,437.0 | 1,700.1 | -15.5 |
| TOTAL INDUSTRY SHIPMENTS | 1,372.5 | 1,431.6 | 7,919.6 | 8,406.1 | -5.8 |
| Exports | 205.6 | 190.0 | 1,326.7 | 1,094.1 | 21.3 |
| TOTAL DOMESTIC SHIPMENTS | 1,166.9 | 1,241.7 | 6,593.0 | 7,312.0 | -9.8 |

Source: Bureau of the Census, U.S. Department of Commerce - CIR M33-D
Note: Cummulative data includes revisions for previous periods
(a) Not included in product data above.

# NEW ORDER RECEIPTS LEVEL WITH PREVIOUS YEAR

Estimated net new order receipts of aluminum mill products for the month of July totaling 933 million pounds, decreased 12.6 percent from the previous month total of 1,067 million pounds. Year-to-date, net new orders totaling 7,840 million pounds were level with the seven month 1989 total.




| ORDER RECEIPTS (Millions of Pounds) | 1990 July | 1989 July | 1990 7 Mos. | 1989 7 Mos. | % Change 1990 vs 1989 |
|---|---|---|---|---|---|
| Sheet & Plate, Other | 297.1 | 308.6 | 2,625.7 | 2,628.8 | -0.1 |
| Can Stock (a) | 260.0 | 283.6 | 2,395.7 | 2,352.7 | 1.8 |
| Foil | 83.5 | 86.0 | 623.1 | 591.5 | 5.3 |
| Bar, Rod & Wire | 41.7 | 30.0 | 323.2 | 245.6 | 31.6 |
| Electrical Conductor | 40.7 | 36.4 | 306.7 | 405.4 | -24.3 |
| Extruded Shapes & Tube | 189.1 | 210.4 | 1,410.1 | 1,456.0 | -3.2 |
| Powder & Paste | 7.8 | 6.9 | 75.9 | 67.4 | 12.6 |
| Forgings & Impacts | 13.1 | 11.2 | 79.6 | 91.1 | -12.6 |
| Total Mill Products | 933.0 | 973.1 | 7,840.0 | 7,838.5 | 0.0 |

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.
Note: Cummulative data includes revisions for previous periods.
(a) Domestic only. Orders for exports of Can Stock are included in Sheet and Plate, Other.

# PRODUCER INVENTORIES DOWN 3 MILLION POUNDS

Producer inventories decreased in June 1990 to a reported total of 3,904 million pounds. This represents a 3 million pound decrease from the revised May level of 3,907 million pounds.

Month-End Aluminum Producer Inventories
(Millions of Pounds)

| | Total | Ingot | Scrap | All Other |
|---|---|---|---|---|
| April | 3,974r | 1,337r | 562r | 2,074r |
| May | 3,907r | 1,364r | 533r | 2,010r |
| June | 3,904 | 1,327 | 579 | 1,997 |

Source: Bureau of the Census, U.S. Department of Commerce.

# CUSTOMER INVENTORIES REPORTED AT 33.2 DAYS

Respondents to the Association's Customer Inventory Survey reported that their Average Days Inventory as of June 30, 1990 was 33.2, up one percent from inventories reported at the end of May.

Month-End Aluminum Customer Inventories
(Average Number of Days)

| | |
|---|---|
| April | 32.9 |
| May | 32.6 |
| June | 33.2 |

Source: Aluminum Association - Customer Inventory Position Survey

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| U.S. IMPORTS & EXPORTS (Millions of Pounds) | | 1990 June | 1989 June | 1990* 6 Mos. | 1989 6 Mos. | % Change 1990 vs 1989 |
|---|---|---|---|---|---|---|
| Imports | Mill Products | 80.5 | 92.2 | 527.7 | 504.3 | 4.7 |
| | Ingot | 207.8 | 163.0 | 1,133.3 | 1,112.8 | 1.8 |
| | Total | 288.3 | 255.2 | 1,661.0 | 1,617.1 | 2.7 |
| | Scrap (+ dross) | 49.7 | 41.2 | 317.9 | 235.8 | 34.8 |
| | Grand Total | 338.0 | 296.4 | 1,978.9 | 1,852.9 | 6.8 |
| Exports | Mill Products | 98.3 | 91.7 | 550.0 | 587.9 | -6.5 |
| | Ingot | 107.3 | 98.3 | 776.7 | 506.2 | 53.4 |
| | Total | 205.6 | 190.0 | 1,326.7 | 1,094.1 | 21.3 |
| | Scrap | 69.8 | 87.5 | 554.7 | 634.9 | -12.6 |
| | Grand Total | 275.4 | 277.5 | 1,881.4 | 1,729.0 | 8.8 |
| Net Imports | | 62.6 | 18.9 | 97.5 | 123.9 | -21.3 |

Source: Bureau of the Census, U.S. Department of Commerce.
(*) Data may not be comparable to previous years due to changes in trade classifications effective January 1, 1989